



## Treasury Inspector General for Tax Administration

### CONTINUED IMPROVEMENTS ARE NEEDED FOR THE DEVELOPMENT AND OPERATIONS OF THE NEW ENTERPRISE SERVICES ORGANIZATION

Issued on April 27, 2007

## Highlights

Highlights of Report Number: 2007-20-073 to the Internal Revenue Service Chief Information Officer.

### IMPACT ON TAXPAYERS

The Enterprise Services organization (the Organization) has a Fiscal Year 2007 estimated budget of \$85.9 million and had 784 employees as of May 2006. The Organization needs to further define its missions and goals, validate staffing assignments, and create performance measures. Until this work is complete, neither TIGTA nor the Internal Revenue Service (IRS) will be able to objectively determine whether the Organization is operating efficiently or effectively and whether taxpayer funds are being spent wisely.

### WHY TIGTA DID THE AUDIT

This audit was initiated because the IRS began consolidating several existing functions and offices to form the new Organization under a newly appointed Associate Chief Information Officer, in an effort to improve services. Developing an organization to incorporate operations and services at an enterprisewide level is a complex effort. TIGTA conducted the review to determine whether internal controls were in place to ensure the Organization was achieving its mission efficiently and effectively.

### WHAT TIGTA FOUND

The IRS created the Organization structure based on recommendations from the MITRE Corporation, IBM, and key IRS executives; developed preliminary staffing estimates; and used an IRS program of continual process improvement to ensure significant activities were accomplished as the Organization was founded. The IRS stated it had initially documented high-level commitments for Organization senior managers; however, IRS executives believed directors and managers would need to gain operational experience within the new Organization before developing individual goals and missions within their respective functions and offices. In May 2006, the Organization documented the

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missions and goals of its subordinate offices. As TIGTA was completing the audit, the validation of these missions and goals was ongoing at many levels of the Organization, and work was underway to define short-term and long-term (transformational) plans, validate staffing assignments, and measure performance. Because this work is in process, TIGTA was unable to objectively determine the level of efficiency or effectiveness of the individual offices or the overall Organization.

### WHAT TIGTA RECOMMENDED

The Associate Chief Information Officer, Enterprise Services, should (1) complete the work necessary to validate and document missions and goals; (2) develop and document short-term and long-term transformational plans; (3) track individual work assignments when applicable, revise the Single Entry Time Reporting system codes, and reevaluate staffing needs based on current and future workloads; and (4) complete the current performance measures pilot, identify performance measures for offices not included in the current pilot, and identify key performance measures for the entire Organization.

In their response to the report, IRS officials agreed with our recommendations and stated the IRS will document the mission and goals for the Organization, complete the current performance measures pilot, identify performance measures for the Organization, construct a high-level approach to develop short-term and long-term transformational plans, and create an implementation plan to establish new Single Entry Time Reporting codes and processes to validate staffing needs.

### READ THE FULL REPORT

To view the report, including the scope, methodology, and full IRS response, go to:

<http://www.treas.gov/tigta/auditreports/2007reports/200720073fr.pdf>.

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